

# EXHIBIT G

## **DECLARATION OF CHRIS REINKEMEYER**

I, Chris Reinkemeyer, hereby declare as follows under the penalty of perjury.

1. I am the CEO of CMMG, Inc. (“CMMG”) and I have held this position since 2016.

Unless otherwise stated, this declaration is based on my personal knowledge and belief and my review of business records of CMMG. If called as a witness, I could and would testify competently to the contents of this declaration.

2. I am over 18 years of age, a citizen of the United States, and of sound mind.

3. CMMG is a federally licensed firearms manufacturer. CMMG manufactures large pistols that are sold with stabilizing braces.

4. CMMG was founded in 2002 to manufacture firearms and firearms accessories.

Since then, CMMG has sold over 78,000 pistols affixed with stabilizing braces.

5. Approximately 85% of CMMG’s revenues from firearms sales and 45% of the company’s overall revenues are derived from sales of braced pistols. In 2022, CMMG’s revenues from sales of braced pistols were approximately \$25,000,000. That number is now zero.

### **ATF Classification**

6. For years, ATF generally viewed pistols affixed with stabilizing braces as outside the scope of the National Firearms Act (“NFA”). CMMG relied on ATF’s view, as well as the relevant provisions of the NFA, when it entered the pistol stabilizing brace market. On January 31, 2023,

ATF issued a Rule titled “Factoring Criteria for Firearms With Attached ‘Stabilizing Braces.’”

Around the same time, ATF published documents on its website identifying “[c]ommercially available firearms equipped with a ‘stabilizing brace’” and “[c]ommon weapon platforms with attached ‘stabilizing brace’ designs” that “are short-barreled rifles” under the Rule (“the Adjudications”). (These documents are available at <https://www.atf.gov/rules-and-regulations/factoring-criteria-firearms-attached-stabilizing-braces>).

7. By these actions, ATF reclassified pistols affixed with stabilizing braces as regulated under the NFA, an about-face from its longstanding view that pistols affixed with stabilizing braces are generally outside the scope of the NFA.

#### **The Rule Substantially and Irreparably Harms CMMG**

8. CMMG will suffer irreparable harm if the Rule is permitted to stand.

9. Despite CMMG's best efforts to understand the Rule, CMMG is uncertain about how to apply the ambiguous criteria outlined in the Rule to its own inventory. While ATF published Adjudications purporting to show which braced pistol configurations were covered by the Rule, ATF did not provide any explanation for its rulings.

10. To comply with the Rule, CMMG has already begun to conduct a full inventory of its firearms to determine which configurations are covered by the Rule or Adjudications. CMMG will be unable to recover the cost of the labor associated with this review and complying with the Rule will continue to be a substantial burden on the business. Everything from marketing, to supply chain, to dealer distribution network, to customer service has been forced to undergo a complete overhaul.

11. CMMG is already seeing the downstream effects of the Rule from its business partners. CMMG's distributors recently returned shipments of firearms and brace accessories in anticipation of the Rule taking full effect. CMMG employees now have to cure that order by removing the stabilizing brace adapters from the shipment. CMMG must ensure that all future orders are compliant with the Rule.

12. CMMG has begun retraining employees on the Rule, siphoning hours of work over multiple days to ensure the business does not inadvertently run afoul of ATF's new view of the law. This retraining increases the cost of business for CMMG because employees are unable to

conduct normal business operations during training. CMMG will be unable to recover these costs.

13. Since the Rule became public on January 13, 2023, the company has been forced to reduce the number of full-time employees by 7%. The company anticipates an additional 15-20% reduction in the next 3-6 months. While CMMG has tried to diversify its business, it heavily relies on pistols affixed with stabilizing brace for revenue. There is a real risk that CMMG may go out of business if the Rule and Adjudications are allowed to stand.

14. In 2022, CMMG's revenues from sales of braced pistols were approximately \$25,000,000. After ATF made the Rule public, revenues from sales of pistols affixed with stabilizing braces ceased.

15. Since 2002, CMMG has sold over 78,000 pistols affixed with stabilizing braces. Most of those sales have occurred over the last three years, as CMMG has sold approximately 63,615 pistols affixed with stabilizing braces since 2020.

16. Since 2020, CMMG has sold approximately 800 stand-alone braces—that is, braces that are not attached to any firearm.

17. Since the Rule became public, CMMG has had approximately \$300,000 in returned product and approximately \$500,000 in cancelled orders, as customers are understandably reluctant to purchase items that impose significant burdens on owners, to include requiring individuals to register firearms with the federal government.

Case 5:23-cv-00018-S Document 18-1 Filed 05/11/23 Page 3 of 20  
18. CMMG currently holds approximately \$4,000,000 in obsolete inventory following the ruling.

19. If ATF's unlawful actions are not enjoined, CMMG's reputation will irreparably suffer because many of its products will become unexpectedly subject to burdensome federal firearm regulations backed up by criminal penalties. Customers will understandably be upset at

this change and are likely to direct their ire at CMMG even though CMMG reasonably relied upon ATF's prior interpretation of the NFA.

20. CMMG will also suffer reputational damage. CMMG's customers purchased their brace-affixed pistols with the understanding that they were not short-barreled rifles. Even if ATF allows these parties to turn in or modify their weapons, ATF's regulatory about-face will cause CMMG to suffer an immeasurable loss of consumer goodwill.

21. Enjoining ATF's actions would remedy the harms to CMMG. If the Rule and Adjudications were enjoined, CMMG would not have to expend resources complying with those actions. Enjoining ATF's actions would also remove the regulatory burden that has made CMMG's products less valuable and more difficult to sell, alleviating the economic and reputational injuries caused by ATF's actions.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 16th 2023



Chris Reinkemeyer  
CEO, CMMG, Inc.

CASE 5:23-CV-00078-D DOCUMENT 78-1 FILED 05/15/23 BY CLERK 208